

Internal Revenue Service

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Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:03
PLR-139220-15

Date:
June 02, 2016

X =
Y =

Z =

Country =
Date 1 =

Dear :

This responds to a letter dated September 29, 2015, and subsequent correspondence, submitted by X, requesting that the Service grant X an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file an election under § 301.7701-3(c) to treat X as an association taxable as a corporation for federal tax purposes.

FACTS

The information submitted states that X was formed under the laws of Country on Date 1. X is wholly owned by Y and Y is wholly-owned by Z. X represents that, on Date 1, X was a foreign entity eligible to elect to be treated as an association taxable as a corporation. However, no timely Form 8832, Entity Classification Election, was filed electing to treat X as an association taxable as a corporation effective Date 1.

LAW AND ANALYSIS

Section 301.7701-3(a) provides that a business entity with at least two members can elect to be classified either as an association (and thus a corporation under § 301.7701-2(b)(2)) or a partnership, and an eligible entity with a single owner can elect

to be classified as an association or to be disregarded as an entity separate from its owner.

Section 301.7701-3(a) further provides that so long as a business entity is not classified as a corporation under § 301-7701-2(b)(1) or (3)-(8) (an “eligible entity”) it may elect its classification for federal tax purposes.

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal income tax purposes. Generally, a foreign eligible entity is treated as an association taxable as a corporation if all members have limited liability, unless the entity makes an election to be treated otherwise.

Section 301.7701-3(c) provides that to elect to be classified other than as provided in § 301.7701-3(b), an eligible entity must file Form 8832 with the designated service center and that an entity classification election must be filed on Form 8832 and can be effective up to 75 days prior to the date the form is filed or up to twelve months after the date on which the election is filed.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I. Section 301.9100-1(b) defines the term “regulatory election” as an election whose due date is prescribed by a regulation published in the Federal Register or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-3(a) provides that a request for relief under § 301.9100-3 will be granted when the taxpayer provides evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

CONCLUSION

Based solely on the information submitted and representations made, we conclude that X has satisfied the requirements of § 301.9100-3. As a result, X is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center to elect to be treated as an association taxable as a corporation effective Date 1. A copy of this letter should be attached to the Form 8832. A copy is enclosed for that purpose.

This ruling is contingent on X, Y and Z having filed all relevant tax and information returns consistent with the granted relief, with the appropriate service center, within 120 days of the date of this ruling. A copy of this letter should be attached to any such late or amended returns. This ruling is further contingent on the affiliated group being treated as having properly filed a consolidated return (see §1.1502-75(b) of the regulations and Rev. Proc. 2014-24, 2014-13 I.R.B. 879.) If either X, Y or Z fails to comply with these requirements, this letter ruling will be null and void.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the ruling request, it is subject to verification on examination.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to X's authorized representative.

Sincerely,

Associate Chief Counsel
(Passthroughs and Special Industries)

By:

Richard T. Probst
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2):

Copy of this letter
Copy for § 6110 purposes

cc: